P. Harsha Vardhana Reddy
Regd. Class I P.W.D. & BBMP Service Provider
Municipal Solid Waste Management
Environmental Sanitation

Mobile: 9844170744
E-mail: hvreddyp@yahoo.in

No. 401/4, 14th Main Road,
Venkateshwara Layout,
Madiwala, Bengaluru - 560 068

Ref No.

Date : 14/03/2026

To,

The Deputy General Manager – I
Bangalore Solid Waste Management Limited (BSWML)
No. 30/1, BBMP Buildings,
Thimmaiah Road,
Vasanthanagar,
Bengaluru – 560051.

Respected Sir,

Sub: Tender No. DGM-1, BSWML/Tend/08/2025-26 dated 30.07.2025 – Primary Collection and Secondary Transportation of Municipal Solid Waste (MSW) and Street Sweeping Waste in Shivajinagar (Package-04), Call-2 – Submission of rate justification.

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I acknowledge receipt of your letter No. DGM-1/BSWML/PR-920/2025-26 dated 03.01.2026, wherein I have been informed that I am the L1 bidder for the above-mentioned package and that the rate quoted by me is stated to be 15.15% higher, and I have been requested to submit a negotiation.

I have already submitted a reply letter to the above said letter and now I am uploading one more negotiation letter in online as prescribed by KPPP.

Sir, upon a careful and detailed examination of all costs necessary for the efficient, uninterrupted, and compliant execution of the subject work, I respectfully submit that while BSWML has agreed to revise fuel charges once in three months and minimum wages (along with statutory EPF and ESIC contributions) as and when revised by the Government, there remain several critical cost components for which no escalation mechanism has been provided, despite the long contract duration of seven (7) years.

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For the present work, BSWML is incurring cost as follows:

Sl No	Ward No	Ward Name	Amount
1	62	Ramaswamy Palya	17,41,730/-
2	63	Jayamahal	17,08,630/-
3	90	Ulsoor	18,67,907/-
4	91	Bharthinagar	18,49,888/-
5	92	Shivajinagar	18,92,197/-
6	93	Vasanthnagar	42,41,301/-
7	110	Sampangiramnagar	40,58,554/-
8	Second Shift		27,28,925/-
9	PK Auto		14,37,492/-
TOTAL			Rs 2,15,26,624 per month
Total Per year			Rs 25,83,19,488/-per year

Difference between Amount paid by BSWML & Amount Quoted in tender for the Package No. 4, Shivajinagar Constituency.	
Total Amount payment made by BSWML per month	Rs 2,15,26,624.00
Total Amount payment made by BSWML per annum	Rs 25,83,19,488.00
Amount Quoted in tender	Rs 19,35,02,056.00
Difference of Amount per annum	**- Rs 6,48,17,432.00**
Difference of Amount per month	Rs 54,01,452.00
Percentage of amount put to tender	**-33%**

It is respectfully submitted that, under the existing contractual arrangement, BSWML is presently incurring an annual expenditure of **Rs.25,83,19,488/-** for the execution of the said works across the entire **Shivajinagar Constituency**. In contrast, the rate quoted by us for the subject work is only **Rs.19,35,02,056/- per annum**, which is **Rs.6,48,17,432/- lower**, amounting to a reduction of approximately **33%** when compared to the average annual expenditure currently being incurred for the same scope of work. This clearly demonstrates that our quotation is competitive, financially prudent, and ensures substantial savings to the public exchequer without compromising service standards.

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Notably, there is no provision for annual escalation, which is ordinarily provided at around 5% per annum, particularly to offset increases in costs relating to vehicle repair and maintenance, replacement of wear-and-tear parts, uniforms, safety gear, and other essential operational requirements. Over a seven-year period, these costs are certain to escalate substantially and cannot be absorbed without affecting service quality or financial viability.

Further, as per tender conditions, contractors are required to make independent arrangements for Office setup, parking of vehicles, including washing facilities. This involves recurring monthly expenditure, which is subject to periodic increases. In addition, we are required to provide necessary facilities and perquisites such as vehicles and accommodation allowances for managers and supervisors, which are essential for effective supervision and compliance with service standards.

Further cost is incurred towards uniforms, identity cards, and statutory safety equipment, second shift and night shift operations, additional fuel consumption, Bonus and Gratuity etc.

All the above expenditures are mandatory, unavoidable, and intrinsic to lawful and efficient execution of the contract, and the escalation of these costs over the contract period is inevitable. These aspects have been carefully factored into my bid to ensure consistent service delivery without compromise.

It is also relevant to submit that I am presently executing similar works for BBMP/GBA/BSWML, and the rates quoted under the present tender are highly competitive and are only marginally higher than the rates presently paid to me for comparable works. This clearly establishes that the quoted rate is reasonable, market-aligned, and not excessive.

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It is further submitted that, despite the above financial justification clearly showing that our quoted rate is fair and competitive, we have extended our cooperation to the negotiation process initiated by BSWML. Our participation is in good faith and in the larger public interest to enable timely finalization of the tender. However, such discussions are being undertaken strictly **without affecting the quality of work, statutory obligations, or operational standards** required under the contract.

Original Annual Bid Amount quoted online:	**Rs.19,85,02,056/-**
Annual Reduction Offered During Negotiations:	**Rs.23,82,648/-**
Final Annual Amount Agreed After Negotiation:	**Rs.19,61,19,408/-**

Sir, this price has been arrived at after due diligence and is intended to deliver high-quality services, ensuring cleanliness, efficiency, and compliance, without giving scope for any complaints regarding service deficiencies in the areas covered under the package.

In view of the foregoing facts and explanation, I once again respectfully submit that the rate negotiated by me is fair, reasonable, and justified, considering the scope of work and the long-term operational commitments involved. I therefore request your good office to kindly accept the negotiated rate, process my bid for further necessary action, and award the work at the earliest, so as to enable timely commencement of services.

Thanking you,

Yours Faithfully,

P. HARSHAVARDHANA REDDY

PROPRIETOR